State of Alaska
FY2003 Governor's Operating Budget

Department of Transportation/Public Facilities
Performance Measures

Contents

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Governor's Key Department-wide Performance Measures for FY2003

Measure:
Design and Engineering Services - The percentage of federal highway funds obligated in the previous federal fiscal year.
Sec 144(b)(1) Ch 90 SLA 2001(HB 250)

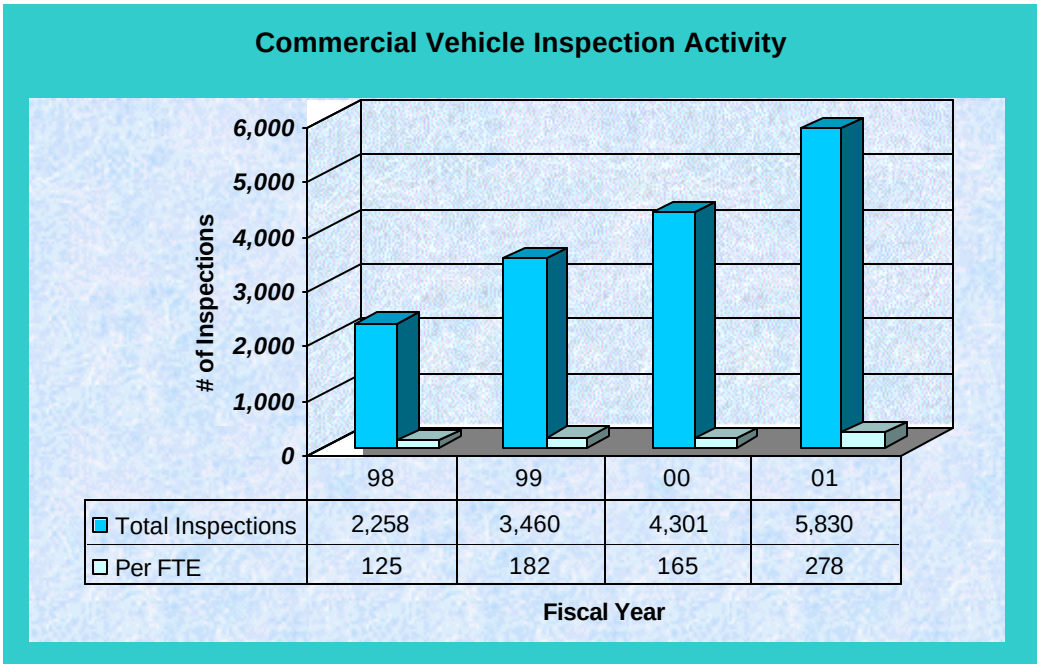
Alaska's Target & Progress:
100% of federal highway funds were obligated. The Division's performance placed the Department in a position to receive an additional $ 2.2 million in funding from the Federal Highway Administration compared to an additional $1.5 million in FY2000. The additional funds were available because other states were not as well prepared and were unable to obligate their full allocation of federal-aid.

Benchmark Comparisons:
All states attempt to achieve 100%.

Background and Strategies:
The Division strives to obligate all federal funds that are available to the state for highway projects. The staff continue to work diligently on that front, reporting regularly on their projects to the Division management, and through a computerized management reporting system, to ensure that projects are delivered on time.

Measure:
Measurement Standards and Commercial Vehicle Safety - Commercial vehicle safety inspections per full-time equivalent employee of the division.
Sec 148(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
During FY2001 actual performance was 278 inspections per full-time-equivalent employee of the division compared to 165 per full-time-equivalent employee in FY00. The Division completed 5,830 inspections during FY2001.



Benchmark Comparisons:

To date, there is no established national standard for this performance measure, although the Department's goal is to reach 8,000 – 10,000 inspections per year.

Background and Strategies:
The division anticipates further efficiencies through streamlining the inspection process by implementing electronic inspection reporting at the field level. Two laptops were deployed in September to test this new electronic reporting system and five more were deployed throughout the fiscal year. In addition nine out of the ten fixed weigh stations are now testing this new electronic inspection reporting system. During FY01 six employees were trained in motorcoach safety inspection, five in compliance review, five in hazardous materials, three in motor carrier safety grants management and five on the Safetynet program.

Measure:
The percentage of highway and airport lane miles per full-time-equivalent employee compared to the average of member states of the Western Association of State Highway and Transportation Officials
Sec 149(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Northern Region Maintenance and Operations, Highways and Aviation maintains highway and airport lane miles with 42.2 lane miles per full time equivalent position. Southeast Region averages 35.3 highway and airport lane miles per full time equivalent. And, Central Region M&O maintains highway and airport lane miles with an average of 37.0 lane-miles per FTE position.

Benchmark Comparisons:
Fifteen states average 29.3 lane miles per full time equivalent position (Data Source: OKDOT Survey, 1999 & 2001 results from 15 WASHTO States) as follows:

Arizona	29.89	
California	10.33	(1999)
Colorado	15.98	(1999)
Hawaii	8.86	(1999)
Idaho	29.50	
Montana	35.25	
Nevada	33.30	
New Mexico	30.39	
North Dakota	46.55	(1999)
Oklahoma	39.30	
Oregon	16.77	
South Dakota	42.86	
Texas	40.61	
Utah	41.59	
Washington	18.49	(1999) Average 29.31

Background and Strategies:
At the current levels of lane miles per full-time equivalent, the Department is not able to provide an adequate level of service. There is a long list of "deferred maintenance" work – jobs that have not been completed due to lack of personnel and other resources. Staff are required to concentrate on critical needs, such as snow removal, rock slides, flooding, and erosion of roadbeds, and are able to devote less attention to preventive maintenance, such as crack sealing, ditching, and brush cutting. Work on priority maintenance items is scheduled when time and resources permit, and federal funds are used to improve the transportation infrastructure to minimize future maintenance needs.

The Department plans to implement an Alaskan maintenance management system that will establish specific maintenance criteria (roadway surface, drainage, snow & ice control, traffic services, etc.) with defined service levels and associated cost to identify to the public and legislature meaningful performance measures. Use of the maintenance management system will identify specific maintenance areas (e.g., guardrail repair, brush cutting, etc.)

lacking in necessary resources. To reduce the average lane miles per employee, lane miles could be eliminated from state highway and aviation systems by transferring to communities, or new fund sources could be developed such as FHWA making more maintenance items eligible under the federal aid highway program.

Measure:
Whether the department maintains the pavement condition index (PCI) at 70 for runways and 60 for taxiways and aprons at every applicable rural airport 99 percent of the time.
Sec 150(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Out of those runways, aprons and taxiways inspected, 48% in Central Region, 51% in Northern Region and 96% in Southeast Region have exceeded the pavement condition index identified in this measure. The actual PCI by airport is extremely variable depending upon where the airport is and when it was last upgraded. For example, the Skagway airport has recently been reconstructed and, as the paved areas are all new, PCI scores would be at or near 100. On the other hand, Yakutat has a PCI of 50 and will not be surveyed until a major reconstruction project is completed. That project will begin in 2002. All State and Municipal airports in the Northern Region have current surveys. Rehabilitation paving has taken place on the airports in Nome and Gambell since the last survey. This percentage does not reflect that work.

Benchmark Comparisons:
PCI 70 for runways; PCI 60 for taxiways and aprons, based on FAA standards.

Background and Strategies:
The PCI is a quantitative indicator of overall pavement condition that, as part of a pavement management system, helps us to determine maintenance and rehabilitation needs at airports. It also helps us to determine priorities when scheduling major pavement projects. However, a PCI score is only part of the story. The Department's goal is to maintain airports' required operational capability through effective staffing, equipment, maintenance, and management practices that ensure our airports are safe and open for business whether they have new pavement or are due for rehabilitation.

These inspections note deficiencies for a broad range of inspection criteria and differ each year depending on FAA focus. Other areas that should be monitored are the existence of repeat discrepancies and attaining 100% correction of deficient areas that do not require a CIP project.

Measure:
Alaska Marine Highway System - The revenue per rider mile divided by the operational costs per rider mile.
Sec 151(B)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The ratio of revenue per rider mile to cost per rider mile for FY 01 was .48. This was obtained by dividing the revenue per rider mile of $.64 by the cost per rider mile that was $1.34. Rising fuel costs have increased operational costs significantly since FY99. In fact, fuel prices jumped 47% between FY99 and FY00. This problem was compounded when the price per gallon climbed an additional 30% between FY00 and FY01. This drove the cost per rider mile up 9.5% and pushed the ratio of revenue per rider mile down 6.5%.

Benchmark Comparisons:
The Washington State Ferry System reports a ratio of .60. The British Columbia Ferry Corporation reports a ratio of .81. Their cost per rider mile is about the same as the Alaska Marine Highway System. However, their revenue per mile is much higher since they adjust their tariffs to reflect increased expenditures.

Background and Strategies:

The Alaska Marine Highway System is on par when compared to the other ferry systems. The exception is the AMHS has lower revenue per rider mile when compared to the British Columbia system. Along these lines, the AMHS implemented a tariff increase effective May 1, 2001. However, the potential revenue from this increase was offset by three factors. First, the highest revenue producing vessel Columbia, could not be returned to service in FY01 as planned. Second, the Malaspina had to be rerouted from the North Lynn Canal (NLC) to cover for the Columbia. This caused a revenue reduction in NLC. Third, the Malaspina has a much smaller car deck capacity and fewer staterooms than the Columbia and consequently could not capture the full financial benefit from the most lucrative route.

This performance measure is influenced by several variables, i.e. seasonal demand, service routes, number of voyages per week between ports and the fluctuation in fuel prices.

Measure:
Alaska Marine Highway System - The total ridership, including passengers and vehicles, compared to the five-year ridership average.
Sec 151(B)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The AMHS established a goal to increase ridership by 3% per year. The five-year passenger average for FY96 to FY00 is 359,169 and the vehicle average is 102,097. In FY01, ridership was 339,290 and vehicles totaled 97,596. This represents a passenger decrease of 5.5% and a vehicle decrease of 4.4%. In each case, the decrease is attributable to reduced operating weeks and the Columbia being off line for the summer because of fire damage.

Benchmark Comparisons:
There is no good benchmark for this performance measure. The BC Ferries and Washington State Ferries carry substantially more passengers and vehicles because both are short haul and commuter type systems.

Background and Strategies:
The Alaska Marine Highway System brought a ninth vessel on line and introduced cross Gulf service in FY99. This measure is a ridership comparison with a nine vs. eight-vessel fleet. A marketing manager was hired in FY 01 to increase ridership. Many marketing efforts are being undertaken to promote Marine Highway ridership. Unfortunately, there are events beyond the Department's control that can and have resulted in ridership reductions (e.g., blockades, strikes, fires, etc.).

Measure:
The total construction cost of the annual highway and aviation programs should be within 5% of the contract bid amount.

Alaska's Target & Progress:
Out of a representative random sample of 105 projects completed in FY01, the total percentage change from contract bid to completion was approximately 6.1%. This is an improvement over FY00, which was 7%. Central Region Construction and CIP Support reported for FY01 an aggregate percentage change from contract bid to final contract of 2.4%.

Benchmark Comparisons:
No benchmark is known. A review of other states will be conducted to determine if similar information is collected and used for management purposes.

Background and Strategies:
Currently, the department is working on over 441 active construction projects that span several construction seasons. Significant to the cost of urban projects are traffic maintenance costs necessary for a project to have a minimal impact on the travelling public, heavy public input during the construction of a project, and safety, pedestrian, and environmental considerations. Scope changes during construction are rare, and are undertaken only where there is a

substantial advantage to the public, the potential of a significant lost opportunity, a safety consideration and/or a major environmental issue.

Contracts allow specific relief for changed conditions that could not be foreseen, forces of nature, and/or unusually severe weather. Due to these factors, specific projects will occasionally have cost overruns. To decrease contract overruns, some combination of the following is necessary: improve estimating quantities in bid documents, make more field changes that reduce quantities and costs, make fewer field changes that increase quantities or cost, or decline performing extra work requested by others (e.g., local governments, other agencies).

It is also important to note that because large-dollar projects generally take longer to build and usually have more significant environmental and community impacts than the majority of federal-aid highway projects, they have greater potential to experience substantial cost increases and lengthy construction delays. The Public Facilities Branch typically provides design and construction administration services for other state client agencies. During the course of construction these client agencies may direct additional work be performed, making the stated performance measure out of the control of Department personnel.

Administration and Support Budget Request Unit

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Key Performance Measures for FY2003

Measure:
The percentage of divisions that reach assigned performance measures.
Sec 141(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
All divisions are tracking legislatively assigned performance measures contained in Chapter 90, SLA 2001. In those instances where goals have been established, the department is working towards reaching those goals though many can not be accomplished within a single year. Where not established, data is being collected to determine appropriate goals.

Benchmark Comparisons:
None.

Background and Strategies:
Knowing how well an organization is functioning is vital to good management. Performance measures are needed to tell whether we are getting the results we desire from our programs. They must tell us how effective and efficient we are or indicate where improvement is needed. The Department is gathering data for the performance measures noted in the FY01 legislation. Setting Department goals can be difficult, but with a few years of performance measure tracking and additional benchmark identification, goal setting should be easier.

Measure:
The percentage of state national highway system lane miles of road that meet standards of the American Association of State Highway Transportation Officials.
Sec 141(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
After 5 years of a concerted effort to modernize the National Highway System (NHS) routes within Alaska, there are 1,487 miles (73%) of the NHS that meet national standards and 552 miles (27%) [including much of the Dalton Highway] which do not meet these standards. Significant progress has been made on the Sterling, Seward, Glenn and other major highways in recent years to improve our highway systems for citizens and commerce while adding to safety.

Benchmark Comparisons:
Nearly all NHS routes nationally meet minimum geometric standards, except for capacity, pavement condition and bridge condition. Until recently, Alaska's NHS routes were far behind other states in meeting basic geometric standards of highway width, shoulder width, curvature and grade. The recent focus on NHS routes nationally, including the provision of new federal monies, has paralleled Alaska's recent strong push to bring our most important highways up to minimum geometric standards. The department continues to push for both bringing substandard sections of the NHS up to minimums, and addressing critical capacity shortfalls on NHS routes in urban areas.

Background and Strategies:
Projects for reconstruction of substandard NHS roads are programmed in the Statewide Transportation Plan for completion in 10 - 12 years, depending upon federal and state funding received.

Measure:
The average time taken to respond to complaints and questions that have been elevated to the commissioner's office.
Sec 141(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The average time taken by the Commissioner's Office in responding to questions or complaints in writing or email is generally 3 weeks. This office does not currently track questions or complaints that are received by telephone. It is our intent to reduce response time to written requests. Collection of more data will be needed before a specific goal can be established.

Benchmark Comparisons:
We are not aware of any.

Background and Strategies:
The Commissioner's Office receives numerous requests daily and strives to respond in a short period of time. However, limited resources have prevented the Commissioner's Office from filling all authorized positions, which undoubtedly impacts the ability to respond quickly to requests. As a result, either a regional or headquarters division office researches most inquiries or complaints. The amount of time spent on a complaint or question depends on the complexity of the issue, the workloads of those designated to respond and the availability of information (e.g., it is difficult to get information from a project manager who is working at a remote site).

Measure:
The percentage of protests and claims appealed to the commissioner that courts overturned during the fiscal year.
Sec 142(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The Department's goal is to render construction related appeal decisions that are fair and legally sound. Few DOT&PF adjudicating decisions should ever need to be appealed to the courts, and for those that are, none should be overturned by appellate court proceedings. Construction related appeals adjudicated by the Department's administrative hearing process average 4 to 6 per year. In FY2001, there were 6 appeals filed with the DOT&PF Appeals Officer. None of the 6 decisions were appealed to the courts.

There were 4 DOT&PF construction related appeals that were carried forward from prior years in Superior Court. Of these, in FY2001:
- one was settled in favor of the State;
- another was moved by the Appellant into Supreme Court (where it now resides) after a Superior Court ruling was made favorable to the State;
- the last two are still active in Superior Court.

We anticipate that the performance stated above will continue in future years. Very few DOT&PF protests and claim decisions will be appealed to the courts due to our efforts stated under "Background and Strategies". If the Departments appeal decisions are challenged in the courts, we do not expect that any will be overturned.

Benchmark Comparisons:
There are no established national standards or information from which to gauge this performance measure.

Background and Strategies:
From 1992 through July of 2001, there were 56 construction related appeals that were directed to formal hearing. This number does not include those appeals that received a direct decision by the Commissioner as none of those decisions since 1992 have been taken on to court.

Of the 56 appeals decided at hearings:
- 27 were claims,
- 25 were protests, and
- 4 were in the lease category.

- 11 of these appeals were settled before hearings started.
- 41 were heard or, in some instances, partially heard (i.e. settlement was reached during the hearing process, thus stopping the appeal).
- Four are currently before hearing officers for administrative adjudication recommendations.

And, of these 56 appeals, 12 were appealed to the courts where:
- one was remanded for settlement;
- the State prevailed on 8 (i.e. the original administrative decision of the Department was upheld) and
- 3 currently reside in the courts (2 in Superior, one in Supreme).

The Department's strategy has been to actively listen to contractors and work directly with them and with construction industry representatives (i.e. the Associated General Contractors of Alaska, construction Labor Unions, Alaska Professional and Design Council, etc.) on claims adjudication procedures. These efforts coordinate and review recommended changes to procurement, contracting, and claim settlement practices and, based on findings, are incorporated into the departmental processes with the goal of reducing the number of contractual disputes.

Measure:
Whether the department fully implements the maintenance management system statewide by June 30, 2003.
Sec 149(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The department is in final negotiations with a consultant to acquire software and consulting services for implementation of the Maintenance Management System. The contract will be signed by December 2001

Benchmark Comparisons:
No benchmark has been established.

Background and Strategies:
The department has determined that a Maintenance Management System (MMS) will be an effective tool to better manage the state's transportation assets. The system will allow managers to better plan and program expenditures, monitor budget performance and better track major cost items, such as snowstorms, floods and federal preventative maintenance efforts. It is envisioned that the MMS will be implemented in a phased multi-year approach. Initial work will focus on establishing a maintenance feature inventory using standard units of measure, automation of deferred maintenance needs assessment, and establishment of a maintenance quality assurance program. These precursors will provide immediate useful information and tools. Implementation of a traditional MMS will follow.

BRU/Component: Equal Employment and Civil Rights

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

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Key Performance Measures for FY2003

Measure:
The percentage of required compliance reviews for responsiveness to disadvantaged business enterprise and on-the-job training contract requirements completed.
Sec 141(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
14 reviews have been initiated of which 14 have been completed in FY2001. In FY2000, 13 were initiated and completed.

Benchmark Comparisons:
Equal Employment and Civil Rights is annually tasked by the Federal Highway Administration (FHWA) with completing 10 contract compliance reviews.

Background and Strategies:
The ADOT&PF Required Federal Contract Provisions form 25D55 stipulates the need for prime contractors working on USDOT-assisted projects to develop, disseminate and implement equal employment opportunity provisions for the prime contractor workforce and to pass this requirement on to its subcontractors. These requirements are based on federal regulations.

Annually, the Equal Employment and Civil Rights office reviews 10 prime contractors who cumulatively have the highest dollar values of contractors working on USDOT-assisted projects or those who have not previously been reviewed. The review consists of reviewing employment policies and strategies of the prime contractor and its subcontractors to ensure the employees are aware of the contractor's EEO policy and where to file complaints if there is a violation of those policies. Certified payrolls are reviewed to verify prime contractor payment reports made to the Equal Employment and Civil Rights office. When this office receives discrimination complaints, these are investigated in conjunction with a compliance review.

Contract compliance also includes reviewing a prime contractor's compliance with 49 CFR Part 26, as implemented through the department's federally approved DBE Program. This is to ensure the prime contractor provides DBE firms with the opportunities it has committed to as a condition of its contract with the department.

In accordance with 32 CFR Part 230.111, OJT requirements on FHWA projects are also reviewed during a prime contractor's contract compliance review. Larger FHWA assisted projects have OJT training goals assigned to the prime contractor to meet and ensure training opportunities are made available to minority and female applicants.

BRU/Component: Internal Review

(There is only one component in this BRU. To reduce duplicate information, we did not print a separate BRU section.)

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Key Performance Measures for FY2003

Measure:
The percentage of requested engineering firm audits and desk reviews completed in the previous fiscal year.
Sec 141(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Our target is to complete all audit requests in a timely manner and have no outstanding requests at year end. During fiscal year 2001 Internal Review received requests for and completed 51 engineering firm audits or desk reviews. Therefore, Internal Review is on track in addressing this performance measure as all audits requested have been completed.

Benchmark Comparisons:
There is no benchmark for the number of this type of audit to be performed by other states or departments.

Background and Strategies:
Audits of engineering firms are required to document accounting systems and overhead and salary rates to be used in negotiating professional services contracts with the Department and insure that federal eligibility requirements are met. These audits are generally requested by management during the negotiation process. If audits are not performed on a timely basis it will slow or hinder the approval of contracts which are essential for ongoing project work. Internal Review's strategy is to give these audit requests high priority to insure audit information is provided to management and staff negotiators as quickly as possible after the request for audit is received

Administrative Services Budget Request Unit

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Key Performance Measures for FY2003

Measure:
Maintain the average time for payment to vendors at 29 days or less
Sec 142(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Over the past three years the department has maintained an average of 24 days to pay vendors. Through the first quarter of FY02 the department is continuing to maintain a 24 day average for processing invoices.

Benchmark Comparisons:
A.S. 37.05.285 states, “Payment for purchases of goods or services provided a state agency shall be made by a required date that is 30 days after receipt of a proper billing for the amount of the payment due, if a date on which payment is due is not established by contract and if the billing contains or is accompanied by documents required by the contract or purchase order.”

Background and Strategies:
During FY01, the department processed an average of 11,712 invoices at $6,014 per invoice each month. Over that time period the department processed payments within 24 days. The complexities of the invoices being processed vary from basic monthly maintenance contracts to construction related progress payments. The ability to make payments on contracts require appropriate sign-offs by project engineers and managers indicating satisfactory completion of tasks. Additionally, invoices must be approved regarding adequate budgetary authority. Payment delays can be caused by the many hand-offs that occur receiving approvals, mail time between offices, errors in the invoice, errors in account coding, and inadequate funding levels.

The number of administrative staff continues to stay static or be reduced and the volume of accounting activity is increasing due to larger federal programs. Because of this, the department is constantly looking for methods to improve the processing of payments. Peer groups continue to meet to identify areas of improvement such as utility payments.

Recently the department has implemented the use of purchasing cards (P-Card). This allows the purchase of small dollar supply items with a credit card. This reduces the number of warrants issued since only a single warrant is needed for the credit card company. In FY01 5,600 invoices were paid using P-Card. Credit cards are also used for travel related expenditures.

Also, within the past few months the department has begun paying construction contractors through electronic deposit (EDI). So far there are 25 vendors signed up to receive payments through EDI and 48 payments have been processed in the past month using EDI.

Measure:
The percentage reduction in payroll calculation errors.
Sec 142(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The Division began tracking the extent of payroll calculation error rates and their causes in January 2001. Prior to that we had no information on the level of errors or what was driving rejection of payroll batches. Data is still not adequate to determine what our target should be. The incomplete data currently shows the Department error rate at 1.9% based on errors per number of payroll warrants issued. Of that rate, 1.26% is related to avoidable errors. It is evident in this short data collection period that the prevalent area of errors is in data entry.

Benchmark Comparisons:

We are not aware of any state comparisons that are available.

Background and Strategies:
The department has anywhere from 2,700 to 3,200 employees at any given time. These employees are covered by eight different bargaining units, including three marine unions. The complexities involved with calculating payroll are increased even more depending on such factors as which vessel an employee is located and their working status. Time constraints, shortage of staff due to budget reductions, illness or vacations, changing union agreements, and general staff turnover contribute to a potentially high error rate.

The department is always looking at methods to improve the delivery of services. The division, in collaboration with the Department of Administration, Division of Finance, is analyzing payroll processes in an effort to streamline payroll processing and reduce error rates. Meetings to discuss development of an electronic timesheet are moving forward. Streamlining payroll processes will take time and resources to implement.

Regional Support Services Budget Request Unit

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Key Performance Measures for FY2003

Measure:
How long it takes to process a purchase request before the order is placed.
Sec 142(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The Department converted to an automated purchasing program in January 2001. Information for this measure is incomplete and only represents estimated activity of small procurements under $50,000. A full year of data will be available next year. Since January, Northern Region has identified an average of 2.91 days and Central Region has estimated an average of 7.66 days to process a purchase request. Southeast Region information is being reviewed.

Benchmark Comparisons:
There currently is no known benchmark established for government or private industry.

Background and Strategies:
The amount of time it takes to process a purchase order varies widely due to their complexity and required methods of procurement based on the dollar value of the items. The statutory factors that impact performance measures when procuring commodities and services for the State of Alaska include:

- "Reasonable and adequate" competition is required at $5,000 or less. This involves contacting one or more vendors as appropriate under the circumstances.
- At least three verbal quotations are required between $5,000 and $25,000; however, there is clearly a preference to obta written quotes for purposes of clarity and conformance to specifications.
- The written Request for Quotation (RFQ) process is required between $25,000 and $50,000. The RFQ includes issuanc the State's standard terms and conditions and written bid responses from vendors.
- The formal Invitation to Bid (ITB) process is required at $50,000 and above which includes formulating specifications, advertising the State's requirements in at least 3 publications, allowing 21 days for bid circulation and a 10 day protest period prior to award of a contract.

Generally, procurement processing time increases with the monetary value and/or complexity of the particular item being purchased. Consequently, it is difficult to accurately measure and set performance standards with regard to procurement. Additionally, Alaska's geographic remoteness affects communication, approval processes, and delivery issues because of inclement weather conditions, vessels that are underway, and changing crews.

The Department procurement offices are collecting data using Buyspeed procurement software. The Department of Transportation established Buyspeed as the standard software for procurement for all regions. The data being collected will be evaluated and may be compared to other industry standards.

The implementation of Buyspeed allows for more efficient processing of stock requests and tracking subsequent purchases. The implementation of this system has reduced the amount of time it takes for a faxed or mailed copy of a requisition to be received. Additionally, duplicate data entry is eliminated which will further reduce the average number of days to issue a Purchase Order. Further efficiencies in processing stock request will be obtained with monitoring of problem orders and addressing individual issues. Refinements are being made to the system to break out timeframes for purchases at the various dollar levels and to develop appropriate tracking and reporting methods.

Planning Budget Request Unit

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Key Performance Measures for FY2003

Measure:
The number and dollar value of projects that are constructed as a percentage of the value of projects in the needs list and the number proposed.
Sec 143(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Regularly around $500 million is constructed or 6.6% of an approximate $7.5 billion needs list. The target is to increase the percentage of the needs list constructed.

In addition to the Federal-Aid program allocation, we requested and received an additional $80 million in Federal Highway funds in federal fiscal year 2001. $50 million to construct an interchange at the Glen Highway and Parks Highway intersection and $30 million for bridge and roadway upgrades on the Dalton Highway.

Benchmark Comparisons:
No other State relies as heavily on federal funds to meet transportation needs within the state.

Background and Strategies:
This is a measure of Alaska's ability to satisfy transportation needs as defined by the state, borough, and local communities. Improvement of our ability to construct a larger fraction of the current need will be dependent upon identification of additional state or federal transportation funding. The Department will continue to apply for extra discretionary funding from the federal government and the Alaska congressional delegation. Along with updating the needs list on an ongoing basis, this is the only strategy available to the Department at this time.

Measure:
The percentage of required federal planning, programming, and data collection tasks completed and accepted by the United States Department of Transportation on a federal fiscal year basis.
Sec 143(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The Department is in compliance and has no record of ever causing the state to lose federal funds due to a failure to meet planning, programming or other transportation data collection requirements. The target is to remain in compliance.

Benchmark Comparisons:
All state Departments of Transportation using Federal Highway funds must fulfill planning, programming and data collection requirements or risk losing these vital transportation funds.

Background and Strategies:
Statewide Planning annually reports a wide variety of condition and performance data about the public road network in Alaska to the US DOT. These federally mandated and funded efforts identify such data as length of the highway network by functional class, ownership, lane count, pavement type, servicability and roughness. Traffic volumes are reported as daily traffic count, annual traffic count, and further categorized by 13 different vehicle classifications. The Division also reports accidents by type, fatalities, minor or major injury, location and contributing factors. Geographic coordinates of the highway system are reported for national mapping purposes. They also report such information as quantity and source of all public monies used in maintaining, reconstructing or constructing public highways.

Measure:
The number of motor vehicle crashes during the fiscal year at which serious injury or fatality occurred.
Sec 143(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The Alaska Highway Safety Office is charged with reducing injuries and saving lives on Alaska's highways. In 1999, there were 79 fatal motor vehicle crashes in the state. That figure rose to 103 in 2000. The increase is partially due to a greater number of passengers in each vehicle. Serious injuries aren't measurable at this time due to the lack of data.

Benchmark Comparisons:

1.6 is the national average for fatal accidents per 100 million miles traveled in the year 2000. Alaska's average is higher at 2.2.

Fatality rate per 100 million miles traveled

Year	National Average	Alaska
2000	1.6	2.2
1999	1.6	1.7
1998	1.6	1.6
1997	1.6	1.8
1996	1.7	2.0
1995	1.8	2.1
1994	1.7	2.0

Background and Strategies:
The Alaska Highway Safety Office coordinates highway safety programming focused on public outreach and education; enforcement; promotion of new safety technology; integration of public health strategies; collaboration with safety and private sector organizations; and cooperation with state and local governments.

Historically, the most frequently cited behavioral contributors to fatal and serious injury crashes in Alaska are impaired driving, unsafe speed, and failure to heed traffic control devices. In 1998 this trend was continued with the occurrence of 71 fatal and 346 serious injury crashes. In order to reduce these numbers, the agency approaches the issue through statewide outreach programs and federally funded highway safety grant projects. Motor vehicle laws which contribute to reducing the number of serious injury or fatal motor vehicle crashes in Alaska, such as blood alcohol content, and the number of troopers employed to enforce these laws are beyond the control of this program.

Measure:
The percentage of airports that have a Federal Aviation Administration approved airport layout plan.
Sec 150(b)(7) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Northern Region has 90% of their airport layout plans approved (93 of 104). Central Region has 72% of their airport layout plans approved (79 of 109). Southeast Region has airport layout plans for all their airports. The target is 100% in 12 years. Prior reporting included airports that were not within regional boundaries and local sponsor airports that are not DOT&PF maintained.

Region	Total Airports with ALP	Needed to Reach 100%
Northern	93 of 104 airports	11 Airports
Central	79 of 109 airports	30 Airports
Southeast	All airports have an ALP	100% Complete

Benchmark Comparisons:
None that is known.

Background and Strategies:

Airport layout plans (ALPs) are the drawings that depict existing conditions and the ultimate development that is planned at an airport; they are a graphic equivalent of the master plan. As such, ALPs also require regular updates, and we endeavor to bring them up to date as needed to reflect changes in existing conditions. We do so by raising the issue of ALP status at our semiannual Aviation Project Evaluation Board meetings with reminders of target goals and requests for compliance accordingly. Updated ALPs are required for AIP grants and grant closeouts.

Design and Engineering Services Budget Request Unit

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Key Performance Measures for FY2003

Measure:
The percentage of federal highway funds obligated in the previous federal fiscal year.
Sec 144(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
100% of federal highway funds were obligated. The Division's target is to obligate 100% each year. The Division's performance in FY2001 placed the Department in a position to receive an additional $ 2.2 million in funding from the Federal Highway Administration, compared to an additional $1.5 million in FY2000. The additional funds were available because other states were not as well prepared and were unable to obligate their full allocation of federal-aid. Staff was increased in FY2000 to help meet our obligations. We are ready for the challenges ahead in FY2003.

Benchmark Comparisons:
All states attempt to achieve 100%.

Background and Strategies:
The Division strives to obligate all federal funds that are available to the state for highway projects. The staff continue to work diligently on that front, reporting regularly on their projects to the Division management, and through a computerized management reporting system.

Measure:
The percentage of projects in the capital budget that have been bid in the year programmed.
Sec 144(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
On track. Ideally, we would like to achieve 100%. However a goal of 100% shouldn't drive the Department to condemn property, limit public input or shorten the review of a sensitive environmental issue.

Benchmark Comparisons:
None

Background and Strategies:
We work cooperatively with the contracting community to balance the number of projects being bid at one time so that the contractor's estimating staff is not overwhelmed. In return we receive more competitive bids that reflect a better understanding of the work. The Division strives to complete designs and bid all projects that are part of the capital budget each year. Staff regularly report on their projects to the Division management, and maintain a computerized management reporting system.

Measure:
The percentage of total project costs spent on project development.
Sec 144(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
For FY2000, the Division reported 14% of total project costs spent on project development. For FY2001, we are at 14.39%. The increase is due to the increase in federal funds and the inherent lag of construction expenditures occurring in the years following development expenditures.

Benchmark Comparisons:

There are no comparable benchmarks. A lower percentage is always desirable. Responding to public comments, environmental concerns and permitting requirements will always drive the percentage up. Our goal is achieving the right balance. Setting a number would be an oversimplification.

Background and Strategies:
The Division is developing management reporting tools to aid in its efforts to control project development costs. We have also instituted additional program codes to more carefully track right of way and utilities expenditures. We will use the available management tools to track our costs, and improve our performance.

Measure:
The percentage difference between final project estimates and construction bids.
Sec 144(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
On track. Ideally estimates would accurately predict bids. However, we use those same estimates for developing the STIP and the capital budget. Within the total program, project costs increase during construction. Appropriations need to reflect the anticipated total cost so that a project is funded through completion. Our estimates, therefore, reflect total cost and are higher than bids.

Benchmark Comparisons:
There are no comparable benchmarks.

Background and Strategies:
The Division has a consultant under contract using federal research funds, constructing a bid analysis and estimate program. The program is 50% complete and should be finalized this summer. We will use this tool to improve our final project estimates by using historic information to prepare our estimates.

Measure:
Whether the department is successful in requiring private contractors performing design and engineering services for the state to report on the same measures.
Sec 144(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Work performed under contract is already included in the results of our other measures.

Benchmark Comparisons:
None

Measure:
The percentage of the design and engineering work of the division that was performed by private contractors.
Sec 144(b)(6) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
We estimate that there is greater than 50% of the design and engineering work performed by private contractors.

Benchmark Comparisons:
The Transportation Research Board Report #277 on the outsourcing of Department of Transportation design work recommends that the optimal program is a balance of one-half in-house and one-half consultant designs.

Background and Strategies:
Retaining the in-house ability to perform the core functions of project delivery position the department to respond to needs rapidly and is necessary to effectively manage consultants performing these same functions. The Division intends to maintain current staff levels, and contract out as necessary to complete the work programmed in the capital budget and obligate all federal highway and airport funds available.

Measure:
The transfer of state-owned ports and harbors to local control.
Sec 146(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Chapter 61, SLA 01 authorized funding to transfer Ketchikan Bar Harbor South, Pelican Harbor, and partial funding for the transfer of Sitka facilities. As of December 2001, Pelican Harbor and Sitka have transferred, and Ketchikan is expected to transfer soon (pending assembly action). To date, 22 facilities (including SLA 01 activity) have been transferred with 31 more candidates ready and awaiting adequate funding.

Benchmark Comparisons:
None

Background and Strategies:

The Statewide Harbors Engineer works with local communities to ensure the smooth transition of port and harbor transfers to local control. He actively follows the capital budget as it makes its way through the legislature, to ensure that he is prepared to take immediate steps once the budget passes and is signed by the Governor.

Measure:
Whether the department completes the environmental impact statement phase on the Ketchikan Airport Access by December 31, 2001.
Sec 150(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Work on the draft environmental document continues. Choosing a preferred alternative has been difficult. After meeting with the Northwest Cruise Ship Association, the less expensive low level bridge now appears to have significant economic impacts on businesses. The larger tour ships would not be able to traverse Tongass Narrows and a change in routing would equate to less berthing and consumer spending time in Ketchikan. A secondary issue is where to place a high level bridge. The FAA has been non-committal about the impacts of a high bridge near the airport and residents of Pennock Island and cruise line officials do not care for the Pennock site. These issues, along with a period of non-commitment from local elected officials facing a government consolidation move, has delayed the issuance of a preferred alternative. The best estimate to deliver a preferred alternative now appears to be in the spring of 2002.

Benchmark Comparisons:
None

Background and Strategies:
This project is under contract with a private firm. The Division staff overseeing the contractor's work meet regularly with the contractor to ensure that the project remains on track.

Construction and CIP Support Budget Request Unit

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Key Performance Measures for FY2003

Measure:
Percentage of the total construction costs that were spent on contract administration.
Sec 145(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The percentage of contract administration costs for closed projects during FY01 were as follows:

	Highways	Aviation
Central Region	14.6%	11.0%
Northern Region	14.7%	25.7%
Southeast Region	12.5%	27.8%

Southeast Region's Aviation percentage only reflects 3 closed out projects, one of which was a consultant administered project. That causes the number to be high. The overall percentage for that region is below 15%, because many more highway projects were closed than aviation projects.

Benchmark Comparisons:
There is no established benchmark at this time. However, up until recently the FHWA had a benchmark of 15%, which has been considered an industry standard.

Background and Strategies:
This measure can only be accurately determined after the project is closed and all project charges are accounted for. The Department closed out 105 projects during FY01. Historically, contract administration costs run at about 14.5%. The high percentage recorded in FY01 is caused by closed projects not representing the typical size and complexity of projects normally closed out in a year.

This measure is always a challenge because of the remoteness of most of the projects (increasing travel and transportation costs), and because the requirements of the federal funding agencies and the expectations of the traveling public tend to increase over time. All of these factors drive administrative costs up. This measure will change from year to year based on the type and size of projects completed. Small urban projects may require the same level of oversight, i.e. staff, as large rural projects. Projects that consist primarily of asphalt paving are typically completed in a short time resulting in low engineering costs compared to the contract value. The need to supplement regional staff with consultants will have a direct impact on future construction engineering costs.

In FY02, a Statewide task force of members from DOT&PF in conjunction with FHWA and FAA developed a method to streamline the closeout process of federal projects. This should further reduce contract administration costs. We are also continuing the effort to reduce our contract administration costs by utilizing staff as efficiently as possible, for example using one construction engineer to manage multiple small projects, thus reducing the engineering costs for each individual project.

Measure:
Percentage of the total construction costs that were spent on change orders.
Sec 145(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The percentage of change order costs for closed projects during FY01 were as follows:

	Highways	Aviation
Central Region	5.7%	5.6%
Northern Region	6.3%	7.0%

Southeast Region	5.8%	5.0%

Benchmark Comparisons:
There is no established benchmark at this time. However, past internal policy was to keep total contract adjustments, including change orders and quantity overruns, at less than 10%.

Background and Strategies:
This measure can only be accurately determined after the project is closed and all project charges are accounted for. Historically, total contract adjustments, including change orders and quantity overruns, run at about 5.4%.

This measure is always a challenge because: 1) efforts to reduce design costs inevitably result in an increase in construction change order costs and quantity overruns; 2) local governments, utilities, and maintenance forces often don't recognize needed enhancements or utility adjustments until the projects are underway; and 3) upper management sometimes isn't aware of opportunities for enhancements until the projects are under construction. All of these factors are beyond the control of this construction program.

Measure:
The number of miles of gravel roads that are surfaced with chip seal, hot mix, or high float asphalt for the first time, reported regionally.
Sec 149(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The number of lane miles of gravel road surfaced with chip seal, hot mix or high float asphalt for the first time during FY01 is as follows:

	by Highways & Aviation	by Construction	Total (lane miles)
Central Region	32	40	72
Northern Region	8	236.4	244.4
Southeast Region	5	10	15
TOTAL	45	286.4	331.4

Benchmark Comparisons:
We are unaware of any specific benchmark at this time. Number of miles of roads that are surfaced is dependent upon amount of funds budgeted through the STIP.

Background and Strategies:
The Road Paving Program established in State Fiscal Year 99 implements the Administration's goal of reducing maintenance costs and improving the quality of life for Alaskans by hard surfacing state owned/maintained Non National Highway System (NHS) gravel roads, as well as those NHS roads also identified under the Statewide Transportation Improvement Program (STIP). The scope of this work represents limited shoulder work, drainage and other work related to preserving the road structure. This is an extremely important program and will provide great benefit to many Alaskans. The Department of Transportation and Public Facilities also benefits directly from this program through reduced maintenance costs. Roads are selected for this program based on cost, condition of the roads, and traffic levels.

Measure:
The total construction cost of the annual highway and aviation programs should be within 5% of the contract bid amount.

Alaska's Target & Progress:
Out of a representative random sample of 105 projects completed in FY01, the total percentage change from contract bid to completion was approximately 6.1%. This is an improvement over FY00, which was 7%. Central Region Construction and CIP Support reported for FY01 an aggregate percentage change from contract bid to final contract of 2.4%.

Benchmark Comparisons:

No benchmark is known. A review of other states will be conducted to determine if similar information is collected and used for management purposes.

Background and Strategies:
Currently, the department is working on over 441 active construction projects that span several construction seasons. Significant to the cost of urban projects are traffic maintenance costs necessary for a project to have a minimal impact on the travelling public, heavy public input during the construction of a project, and safety, pedestrian, and environmental considerations. Scope changes during construction are rare, and are undertaken only where there is a substantial advantage to the public, the potential of a significant lost opportunity, a safety consideration and/or a major environmental issue.

Contracts allow specific relief for changed conditions that could not be foreseen, forces of nature, and/or unusually severe weather. Due to these factors, specific projects will occasionally have cost overruns. To decrease contract overruns, some combination of the following is necessary: improve estimating quantities in bid documents, make more field changes that reduce quantities and costs, make fewer field changes that increase quantities or cost, or decline performing extra work requested by others (e.g., local governments, other agencies).

It is also important to note that because large-dollar projects generally take longer to build and usually have more significant environmental and community impacts than the majority of federal-aid highway projects, they have greater potential to experience substantial cost increases and lengthy construction delays. The Public Facilities Branch typically provides design and construction administration services for other state client agencies. During the course of construction these client agencies may direct additional work be performed, making the stated performance measure out of the control of Department personnel.

Statewide Facility Maintenance and Operations Budget Request Unit

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Key Performance Measures for FY2003

Measure:
Whether the net value of facilities deferred maintenance increases or decreases annually.
Sec 146(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The only funding the Department receives for deferred maintenance is an annual Facilities Deferred Maintenance capital project. For FY02, a total of $800,000 was appropriated for all the state-owned facilities the Department is responsible for maintaining. Those funds will be used for repairing the following:

- Kodiak Court building elevator
- Tudor Road Complex in Anchorage roof and electrical system
- Sitka Court House roof replacement
- Generators, incinerators, insulation and fencing at maintenance facilities at Montana Creek, Livengood, Ambler, Coldfoot, Trimms and Delta.

The current project list of accumulated deferred maintenance is $55.4 million (not including ADA compliance needs). The accumulated deferred maintenance backlog has increased substantially in the past year due largely to three maintenance facilities being condemned, resulting in the identification of substantial deferred maintenance costs. The current goal is to reduce the percentage at which deferred maintenance accumulates during the current year.

Benchmark Comparisons:
No benchmark has yet been established.

Background and Strategies:
Deferred Maintenance funds are very important in maintaining state buildings. Lack of capital funding and fewer available operating resources for vital preventive and routine maintenance has resulted in accelerated deterioration of public facilities. Renewal and replacement of obsolescent systems in facilities is grossly inadequate to meet current needs and reduce the accumulated deferred maintenance backlog.

Measure:
The percentage of facility mechanical systems that pass safety inspections each year.
Sec 146(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
95% of mechanical systems have passed safety inspections during the past year. Most pass inspection the first time without any repairs. The Department immediately corrects most deficiencies found during an inspection. The remaining 5% deficiencies require significant improvements to be code compliant. These items are added to the deferred maintenance backlog until capital funding is available. The following equipment or systems require safety inspection: Security and surveillance equipment; fire alarm panels; sprinklers; boilers; compressor tanks; elevators; cranes and lifts, boilers, back flow preventers and air conditioner systems. These inspections are performed either by in-house staff, contractors, or the Department of Labor.

Benchmark Comparisons:
Safety is of the highest priority and the state requires that all mechanical systems pass safety inspections.

Background and Strategies:
These systems are under the jurisdiction of the Department of Labor and Workforce Development, Division of Labor Standards and Safety, Mechanical Inspection. Currently, some boilers are serviced with in-house personnel, although the recent trend has been towards contracting for this work, due to the specialized skills needed. Elevator servicing and repairs has always been contracted, since the skilled craftsmen are not available through Local #71 and large private firms have the in-depth support needed for that service.

The Department has never had boilers or elevators "red-tagged" or taken out of service after an inspection; however, it is common for the inspector to note deficiencies, which we address by the abatement date.

Measure:
The percentage of rural airport leases that are renewed or newly leased at the fair market value during the fiscal year. Sec 146(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
With the continued delay in adopting new Title 17 regulations, we are unable to increase rural airport lease rates to bring them closer to fair market rent.

Benchmark Comparisons:
No benchmark data has been identified for this measure.

Background and Strategies:
Title 17 AAC 40 regulates the rents that can be charged for lease of rural airport properties. The performance measure is not likely to be achieved because fair market rents are established by, among other procedures, periodic market surveys, the results of which are incorporated into Title 17 through periodic updates. If a market survey shows rent is being charged that is above fair market, the commissioner, under 17 AAC 40.340(a), approves reducing the rent charged at these airports to the fair market rent. However, for increases to fair market rent, Title 17 must be updated to reflect the upward percentage the department intends to charge. In most cases, rent increases will be made incrementally so as to allow lessees a gradual increase in their rents until fair market is reached. Until the new Title 17 regulations are adopted, rural airport lease rates can not be brought closer to fair market rent.

State Equipment Fleet Budget Request Unit

Contact: Frank T. Richards, Statewide Maintenance Engineer

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Key Performance Measures for FY2003

Measure:
Whether 80 percent of the fleet wet rentals are returned to the division as scheduled for preventive maintenance on or before June 30 of the fiscal year.
Sec 147(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
State Equipment Fleet (SEF) is performing and tracking preventive maintenance activities. At the end of June 2001 the PM compliance was 80 percent, the objective for that fiscal year. As of October 2001, the regions are experiencing from 78 percent to 95 percent compliance with preventive maintenance schedules. The statewide average is 85 percent.

Benchmark Comparisons:
In *Benchmarking for Quality in Public Service Fleets*, published by the NAFA Foundation and the National Association of Fleet Administrators (1993) the median PM compliance for 90 police and sedan fleets was 96 percent. In the same study the comparable figure for 74 light truck fleets was 98 percent. Melding the two would give a target PM compliance of 97 percent for SEF. Starting with FY2002, the Department will annually increase its compliance objective from the original 80 percent until it reaches the 97 percent level in FY2005.

Background and Strategies:
PM compliance is the most important and most difficult task in fleet management. Regularly scheduled service and inspection of vehicles and equipment is the cornerstone of fleet safety, operating integrity, and low maintenance costs. The main components of a preventive maintenance program are regular, pre-determined inspections that include lubrication and service. Adherence to the schedules will help extend machine service life, improve availability and reliability, and reduce major component repair and replacement expenses.

The SEF foremen and superintendents are provided frequent updates of those vehicles that are due or overdue for preventive maintenance.

Barriers to reaching or surpassing this measure include:

- The failure of the user agency to appreciate the value of preventive maintenance and therefore fail to bring the vehicle in for its inspection when requested by SEF;
- The inability of the user agency to bring the vehicle in if it is being used during the State's limited construction season. This can be alleviated by scheduling preventive maintenance at the end of the construction season or during the winter months when the vehicle is not in use; and
- In FY2001 1,000 attachments (plows, snow wings, etc.) were added to the PM schedule. In FY2003 up to 650 DOT&PF vehicles will be converted from dry to wet increasing the number of PM vehicles. These increases will make it difficult to meet the 90 percent goal for FY2003.

All vehicle-operating departments need to have PM compliance as one of their performance measures.

Measure:
The average down time for light duty, actively used equipment in urban areas.
Sec 147(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
State Equipment Fleet is tracking downtime for light duty vehicles in urban areas. SEF Headquarters developed a computer program to accomplish this. In FY2001 statewide average downtime for light duty, urban vehicles was 7.3 percent. The regional range was from 5.8 to 11.3 percent. For the first three months of FY2002 the downtime rate was 4.4 percent with the three regions ranging from 1.2 to 5.2 percent.

Benchmark Comparisons:

In the 1993 NAFA Foundation study the median downtime rate for 68 sedan and police and 42 light truck fleets was 2 percent.

Background and Strategies:
SEF is responsible for the overall management of the state's vehicle and equipment resources. It is a service organization providing equipment support services to all state agencies. Equipment can not perform its function when it is down for any reason. Fleets must manage this parameter. PM compliance, staffing levels, parts availability, and adequate staff training can affect downtime of a vehicle. Education of staff is essential to assure that data entry for opening and closing dates of work orders are consistent throughout SEF.

Some of the improvement in this measure between FY2001 and FY2002 can be attributed to more accurate coding of the opening and closing dates of the work orders.

The continued increase in PM compliance will help reduce downtime.

Measure:
Number of locations of the state equipment fleet whose rates are equal to or less than the rental rates published in industry guide books.
Sec 147(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
SEF has completed the comparison of the FY2002 rental rates with the current Rental Rate Blue Book for Construction Equipment published by Primedia Directories. A total of 1,478 vehicles in 162 regional rate classes were included in the study. The types of vehicles were light duty, medium and heavy trucks, heavy equipment, support equipment, trailers, and attachments. SEF rates were lower than those in the Blue Book except for two instances. The SEF rates ranged from 5 percent to 107 percent of the Blue Book rates. The weighted, statewide average for all SEF rates in the study was 34 percent of Blue Book. In FY2001 it was 39 percent.

Benchmark Comparisons:
SEF rates should be lower than published rates.

Background and Strategies:
Service and rate competitiveness is central to the measurement of SEF's performance. If SEF service or rates are not competitive, the customer agency should be allowed to seek alternative and documented solutions elsewhere.

SEF should make a more concerted effort to bill its customers for damage. Billable costs are not included in the SEF operating rates.

Measurement Standards & Comm Vehicle Enforcement Budget Request Unit

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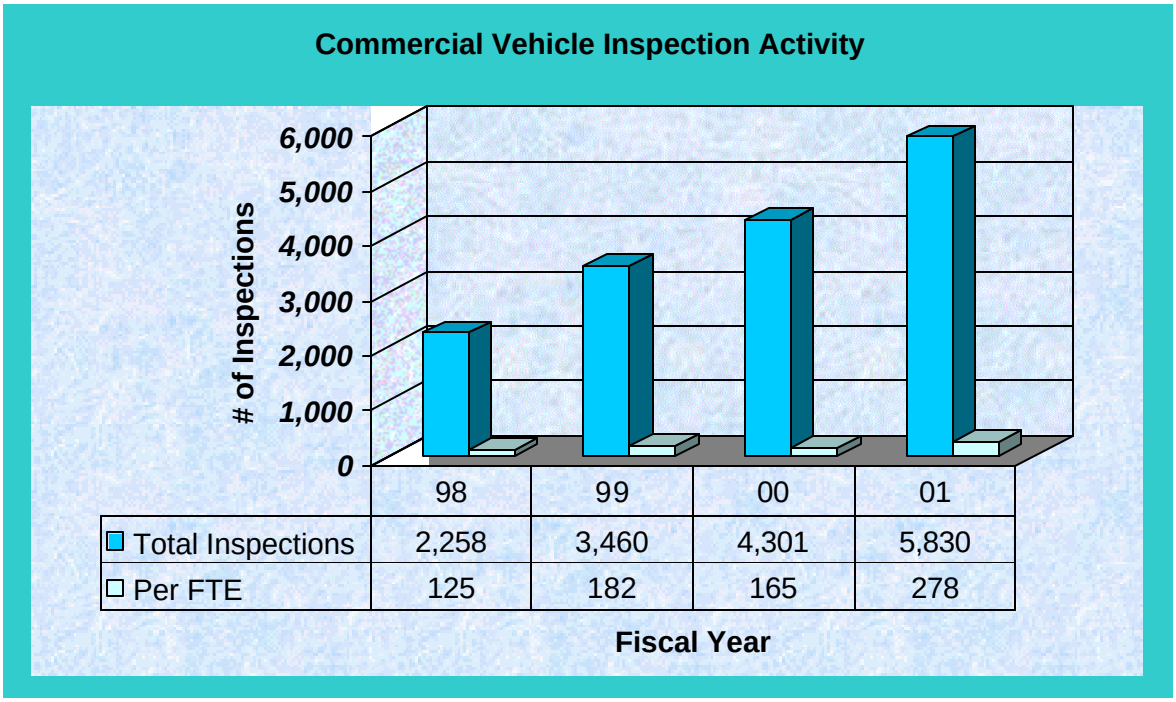
Key Performance Measures for FY2003

Measure:
Safety inspections per full-time equivalent employee of the division.
Sec 148(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
During FY2001 actual performance was 278 inspections per full-time-equivalent employee of the division compared to 165 per full-time-equivalent employee in FY00. The Division completed 5,830 inspections during FY2001.

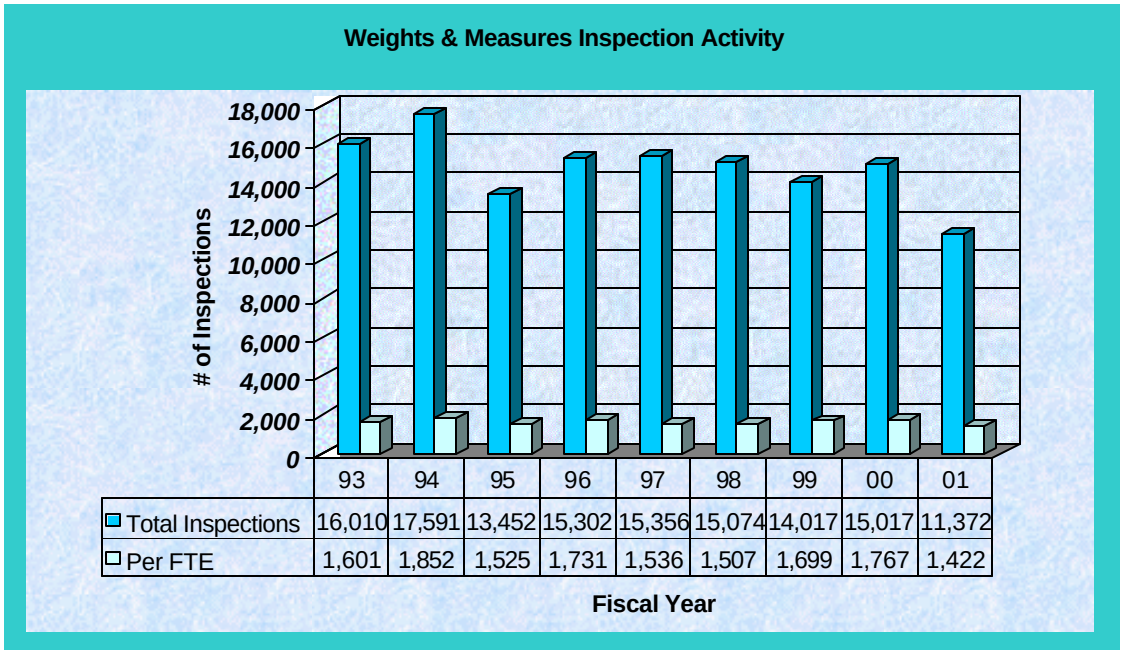


Benchmark Comparisons:
To date, there is no established national standard for this performance measure, although, the Department's goal is to reach 8,000 - 10,000 inspections per year.

Background and Strategies:
The division anticipates further efficiencies through streamlining the inspection process by implementing electronic inspection reporting at the field level. Two laptops were deployed in September to test this new electronic reporting system and five more were deployed throughout the fiscal year. In addition nine out of the ten fixed weigh stations are now testing this new electronic inspection reporting system. During FY01 six employees were trained in motorcoach safety inspection, five in compliance review, five in hazardous materials, three in motor carrier safety grants management and five on the Safetynet program.

Measure:
Weighing and measuring device inspections conducted per full-time equivalent employee of the division.
Sec 148(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
During FY2001, there were a total of 11,372 weighing and measuring devices inspected for a total of 1,422 inspection conducted per full-time-equivalent employee of the division
compared to 1,767 inspections conducted per full-time-equivalent employee in FY00.



Benchmark Comparisons:
To date, there is no established national standard for this performance measure. Although, the Department's goal is to maintain a level of 16,000 inspections per year based upon a 0% vacancy factor.

Background and Strategies:
The predominant factor influencing this measure is the number of available inspection hours. We expect to enhance our productivity by utilizing a new Weights & Measures software program, reducing the need for redundant data entry. This productivity enhancement should enable us to achieve 1,600 inspections per full-time-equivalent employee of the division.

Highways and Aviation Budget Request Unit

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Key Performance Measures for FY2003

Measure:
The number of miles of gravel roads that are surfaced with chip seal, hot mix, or high float asphalt for the first time, reported regionally.
Sec 149(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The number of lane miles of gravel road surfaced with chip seal, hot mix or high float asphalt for the first time during FY01 is as follows:

	by Highways & Aviation	by Construction	Total (lane miles)
Central Region	32	40	72
Northern Region	8	236.4	244.4
Southeast Region	5	10	15
TOTAL	45	286.4	331.4

Benchmark Comparisons:
We are unaware of any specific benchmark at this time. The number of miles of roads that are surfaced is dependent upon amount of funds budgeted through the Statewide Transportation Improvement Program (STIP).

Background and Strategies:
The Road Paving Program established in FY99 implements the Administration's goal of reducing maintenance costs and improving the quality of life for Alaskans by hard surfacing state owned/maintained Non National Highway System (NHS) gravel roads, as well as those NHS roads also identified under the STIP. The scope of this work represents limited shoulder work, drainage and other work related to preserving the road structure. This is an extremely important program and will provide great benefit to many Alaskans. The Department of Transportation and Public Facilities also benefits directly from this program through reduced maintenance costs. Roads are selected for this program based on cost, condition of the roads, and traffic levels.

Measure:
The percentage of highway and airport lane miles per full-time-equivalent employee compared to the average of member states of the Western Association of State Highway and Transportation Officials.
Sec 149(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Northern Region Maintenance and Operations, Highways and Aviation maintains highway and airport lane miles with 42.2 lane miles per full time equivalent position. Southeast Region averages 35.3 highway and airport lane miles per full time equivalent. And, Central Region M&O maintains highway and airport lane miles with an average of 37.0 lane-miles per FTE position.

Benchmark Comparisons:
Fifteen states average 29.3 lane miles per full time equivalent position (Data Source: OKDOT Survey, 1999 & 2001 results from 15 WASHTO States) as follows:

Arizona	29.89	
California	10.33	(1999)
Colorado	15.98	(1999)
Hawaii	8.86	(1999)
Idaho	29.50	
Montana	35.25	

Nevada	33.30	
New Mexico	30.39	
North Dakota	46.55	(1999)
Oklahoma	39.30	
Oregon	16.77	
South Dakota	42.86	
Texas	40.61	
Utah	41.59	
Washington	18.49	(1999) Average 29.31

Background and Strategies:
At the current levels of lane miles per full-time equivalent, the Department is not able to provide an adequate level of service. There is a long list of "deferred maintenance" work – jobs that have not been completed due to lack of personnel and other resources. Staff are required to concentrate on critical needs, such as snow removal, rock slides, flooding, and erosion of roadbeds, and are able to devote less attention to preventive maintenance, such as crack sealing, ditching, and brush cutting. Work on priority maintenance items is scheduled when time and resources permit, and federal funds are used to improve the transportation infrastructure to minimize future maintenance needs.

The Department plans to implement an Alaskan maintenance management system that will establish specific maintenance criteria (roadway surface, drainage, snow & ice control, traffic services, etc.) with defined service levels and associated cost to identify to the public and legislature meaningful performance measures. Use of the maintenance management system will identify specific maintenance areas (e.g., guardrail repair, brush cutting, etc.) lacking in necessary resources. To reduce the average lane miles per employee, lane miles could be eliminated from state highway and aviation systems by transferring to communities, develop new funding sources, or encourage FHWA to make eligible more maintenance items under the federal aid highway program.

Measure:
The number of miles of road maintenance for which responsibility is transferred to local governments.
Sec 149(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
In FY01 35.2 miles of road maintenance was transferred to local governments. Transferred road responsibilities include Fairbanks Trainor Gate Road, Nome City Streets, Kotzebue 3rd Avenue, Haines Porcupine Road, Juneau Point Louise Spur and 2 miles of the Glacier Highway, and in the Matanuska Susitna Borough West Matanuska Spur, Jensen Road, Church Street, 4-Mile Road, Willow Creek Parkway, Collier Road, Schelin Spur, Edgerton Park Road, Cottle Loop, Lakeview Circle, Rue Road, Crystal Lake Road, Deshka Landing Road and Willow Station Road.

Benchmark Comparisons:
No benchmark has yet been established.

Background and Strategies:
The transfer of road maintenance responsibility to local governments is negotiated between Planning, M&O and the local community. In exchange for a capital project benefiting the community, the community agrees to accept responsibility for maintaining an equivalent section of road. This is a win-win situation for the State and the community, allowing the use of federal funds to construct a project that benefits the community while reducing M&O general fund costs and responsibilities. The department is working with communities to identify roads that can be transferred to municipality control.

Measure:
Whether the department maintains the pavement condition index (PCI) at 70 for runways and 60 for taxiways and aprons at every applicable rural airport 99 percent of the time.
Sec 150(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
Out of those runways, aprons and taxiways inspected, 48% in Central Region, 51% in Northern Region and 96% in Southeast Region have exceeded the pavement condition index identified in this measure. The actual PCI by airport is

extremely variable depending upon where the airport is and when it was last upgraded. For example, the Skagway airport has recently been reconstructed and, as the paved areas are all new, PCI scores would be at or near 100. On the other hand, Yakutat has a PCI of 50 and will not be surveyed until a major reconstruction project is completed. That project will begin in 2002. All State and Municipal airports in the Northern Region have current surveys. Rehabilitation paving has taken place on the airports in Nome and Gambell since the last survey. This percentage does not reflect that work.

Benchmark Comparisons:
PCI 70 for runways; PCI 60 for taxiways and aprons.

Background and Strategies:
The PCI is a quantitative indicator of overall pavement condition that, as part of a pavement management system, helps us to determine maintenance and rehabilitation needs at airports. It also helps us to determine priorities when scheduling major pavement projects. However, a PCI score is only part of the story. The Department's goal is to maintain airports' required operational capability through effective staffing, equipment, maintenance, and management practices that ensure our airports are safe and open for business whether they have new pavement or are due for rehabilitation.

Measure:
The percentage of private maintenance contracts at non-certified airports compared to total number of non-certified airports
Sec 150(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
70% of the Department's non-certificated airports are maintained under contract. The Department has 191 non-certificated airports. Of those, the maintenance and operations of 134 of them are contracted to private firms or individuals and the remainder are maintained by the Department.

Benchmark Comparisons:
No benchmark has yet been established.

Background and Strategies:
The current strategy is to adequately maintain all airports as cost effectively as possible. Most of the non-certified airports that are not maintained with private contractors are located next to highways. Consequently, the highway crews maintain these airports. They have all the necessary equipment and local knowledge of the airport's needs. Economy is gained by maintaining the highways and airports with existing employees and equipment. Costs to maintain airports are generally considerably higher at those not serviced by a road system. Maintenance costs will continue to be kept down through competitively bid contracts where it is cost effective to do so.

Measure:
Whether the department maintains the 100 percent pass level of annual federal airport certification inspections for response and safety standards set out in federal aviation regulations.
Sec 150(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
100% of airports passed certification inspection. Compliance is mandatory and issues are corrected when noted.

Benchmark Comparisons:
There is no established standard or quantitative measure for FAA certification inspections. We attempt to provide the safest, most efficient service to airlines and the traveling public and ensure compliance with all appropriate regulations.

Background and Strategies:
The FAA, to ensure safe and standard airfield operations and compliance with its FAR 139 certification requirements, inspects the certificated airports at least annually. These inspections cover a broad range of areas including Airport Rescue and Firefighting (ARFF), safety, lighting, markings, runway incursions (interference with aircraft during takeoff and landing) and a number of other operating standards.

The Department's goal is to improve compliance with the FAA's FAR 139 program. This can be achieved by the proper identification of deficiencies by maintenance, operations, and safety personnel. Inspections note deficiencies for a broad range of inspection criteria and differ each year depending on FAA focus. Compliance with FAR Part 139 is achieved through adequate training and supervision of airport personnel, and implementation of effective management practices by the Regional Maintenance and Operations staff. The Regional Airport Safety and Compliance Officer is always available to help airport managers with compliance issues and ensures, through regular communication and visits, that any problems are resolved quickly.

Ted Stevens Anchorage International Airport Budget Request Unit

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Key Performance Measures for FY2003

Measure:
Whether the department maintains the 100 percent pass level of annual federal airport certification inspections for response and safety standards set out in federal aviation regulations.
Sec 150(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
AIA received no major discrepancies and two minor problems were noted and corrected. Historically, AIA receives approximately 50 annual discrepancies and FIA receives less than three, including numerous minor deviations from FAA standards.

Benchmark Comparisons:
There is no established standard or quantitative measure for the FAA certification inspections. AIA attempts to provide the safest, most efficient service to airlines and the traveling public.

Background and Strategies:
The International Airports are inspected at least annually by the FAA to ensure safe and standard airfield operations and compliance with its FAR 139-certification requirements. These inspections cover a broad range of areas including Airport Rescue and Fire fighting (ARFF), safety, lighting, markings, runway incursions (interference with aircraft during takeoff and landing) and a number of other operating standards.

The Airports goal is to improve compliance with FAA's FAR 139 program. This can be achieved by the proper identification of deficiencies by maintenance, operations, and safety personnel. This information, in turn, must be detailed into a maintenance management program with all maintenance and training actions completed prior to annual inspections by the FAA.

These inspections note deficiencies for a broad range of inspection criteria and differ each year depending on FAA focus. Other areas that should be monitored are the existence of repeat discrepancies and attaining 100% correction of deficient areas that do not require a CIP project.

Measure:
The annual increase or decrease, expressed as a percentage, in cargo landings at the international airports measured on a three-year rolling average.
Sec 150(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The department set a goal of a 5% annual increase in cargo growth over the three-year rolling average. The Ted Stevens Anchorage International Airport continues to experience a growing cargo business that is vital to the State of Alaska economy. Total Cargo landings for FY99 were #33,932; FY00 was #38,144 and FY01 is #39,790. FY 99 cargo landings remained constant over FY 98 due to the Asian economic crisis. We saw the landings bottom out and begin to increase in February 1999. FY 00 cargo landings vs. FY 99 landings showed a growth rate of 12.7%. 3 year rolling average for Anchorage showed a growth rate of 6.9%.

Benchmark Comparisons:
There are limited established or quantitative measures for evaluating cargo growth against other airports. Boeing World Air Cargo Forecast estimated overall growth in the air cargo industry to average 6.4% over the next 10 years. The International Air Transport Association which originally projected slightly lower growth rates, is updating their five-year projections in light of the September 11 attacks.

Background and Strategies:

Cargo growth at Anchorage continues to track upward with the world demand for air cargo. Alaska's unique position has made AIA a key player in the international cargo industry. Anchorage has historically been a transit stop between markets generally due to lack of range of the aircraft. We do not know what airlines might route more flights here depending upon the situation in the Middle East.

As the world air cargo market continues to expand and the range of the aircraft grows, the key strategy for Anchorage remains to convert existing transit stops to value-added stops. With the advent of two more of our international carriers beginning transfer operations recently, 57% of our international carriers now provide some value-added service while on the ground, either in terms of transloading or enplaning and deplaning freight. This strategy of anchoring these airlines allows us to retain our current level of business, work to expand the services offered by our current carriers and continually attract new carriers to the ever-growing marketplace.
The international airports have some strategic advantages as an international cargo stopover based simply on geographic location. However, air carriers make decisions on such stops based on a number of reasons, some of which are within the airport's control, and others which are not. The high level of international cargo activity at both the Anchorage and Fairbanks international airports results in a fairly low landing fee by industry standards. However, a reliable source of reasonably priced fuel is an equally important factor. Fortunately, that condition also exists at both Anchorage and Fairbanks and has resulted in continuing to attract and retain international cargo activity.

Measure:
Whether the department completes the Gateway Alaska Terminal Redevelopment Project by September 1, 2004.
Sec 150(b)(6) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Gateway Alaska Terminal Redevelopment Project is anticipated to be completed by September 1, 2004 at this time.

Benchmark Comparisons:
none

Background and Strategies:
The Gateway Alaska Terminal Redevelopment Project is dedicated to completing the project as planned.

Fairbanks International Airport Budget Request Unit

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Key Performance Measures for FY2003

Measure:
Whether the department maintains the 100 percent pass level of annual federal airport certification inspections for response and safety standards set out in federal aviation regulations
Sec 150(b)(4) Ch 90 SLA 2001(hb250)

Alaska's Target & Progress:
Historically, FIA receives less than three noted discrepancies during the annual airport certification inspection. These inspections note deficiencies for a broad range of inspection criteria that differ each year depending on FAA focus. During the 2000 certification inspection, no actual discrepancies were noted. The Certification Inspector did recommend five areas for review including, for example, the driver's training program, updating the non-standard signage on the general aviation side of the airport, and revising the certification manual to include the bird management program. Changes have been made, and the update to the manual is in progress. FIA does not expect that these topics will need to be addressed again in the 2001 inspection.

Benchmark Comparisons:
There are no established standards or quantitative measures for evaluating FAA certification inspections.

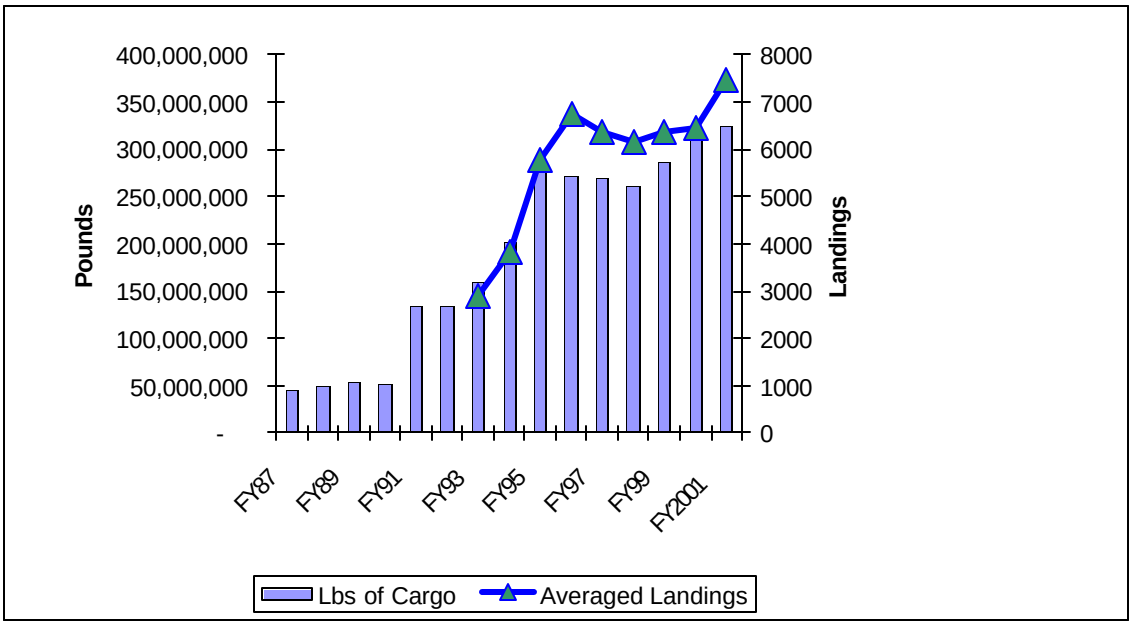
Background and Strategies:
Both airports attempt to provide the safest, most efficient service to airlines and the traveling public. The International Airports are inspected at least annually by the FAA to ensure safe and standard airfield operations and compliance with its FAR 139-certification requirements. These inspections cover a broad range of areas including Airport Rescue and Fire fighting (ARFF), safety, lighting, markings, runway incursions (interference with aircraft during takeoff and landing) and other operating standards.

The Airports' goal is to continually improve compliance with FAA's FAR 139 program. This can be achieved by the proper identification of deficiencies by maintenance, operations, and safety personnel. Any instances of repeat discrepancies require special attention and it is our goal to attain 100% correction of deficient areas that do not require a CIP project.

Measure:
The annual increase or decrease, expressed as a percentage, in cargo landings at the international airports measured on a three-year rolling average.
Sec 150(b)(5) Ch 90 SLA 2001(HB250)

Alaska's Target & Progress:
Cargo landings have been tracked since FY93. Over these years, Fairbanks International Airport has achieved a three-year rolling average of about 12% annual growth, due mostly to large jumps in the early years. For the last four years growth has averaged around 2%. At the same time, however, growth in pounds of cargo throughput has increased about 5% per year.

In FY2001 international cargo landing fees accounted for half of total landing fees collected at FIA. International routes can be very volatile and are subject to changing economic and political conditions worldwide. For example, Air France added four more flights per week for October, 2001 because of conditions in Tashkent, Uzbekistan. We were also informed that Lufthansa might route more flights here depending upon the situation in the Middle East.



Benchmark Comparisons:
There are limited established or quantitative measures for evaluating cargo growth against other airports. Boeing World Air Cargo Forecast estimates overall growth in the air cargo industry to average 6.4% over the next 10 years. The International Air Transport Association, which originally projected slightly lower growth rates, is updating their five-year projections in light of the September 11 attacks.

Background and Strategies:
The international airports have some strategic advantages as an international cargo stop over based simply on geographic location. However, air carriers make decisions on such stops based on a number of reasons, some of which are within the airport's control, and others that are not. The high level of international cargo activity at both the Anchorage and Fairbanks International Airports results in a fairly low landing fee by industry standards. However a reliable source of reasonably priced fuel is an equally important factor. Fortunately, that condition also exists at both Anchorage and Fairbanks and continues to attract and retain international cargo activity.

The Fairbanks business community continues to vigorously support FIA in its efforts to attract and keep cargo carriers because these operations have a considerable positive economic impact on the community.

Marine Highway System Budget Request Unit

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Key Performance Measures for FY2003

Measure:
The percentage of times that vessels depart on time.
Sec 151(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The AMHS goal is to consistently exceed the nationwide on-time airline departure benchmark of 75.1. This goal was achieved in FY01 with a 79% on-time departure rate by comparison to 77% in FY00.

Benchmark Comparisons:
The benchmark used for this performance measure is the on-time departure data from the airline industry. Nationwide the on-time departure benchmark is 75.1%. This varies by airline and airport.

Background and Strategies:
Numerous events can cause delays in ferry departure times, especially weather and tides. An additional relevant factor is the time it takes to load/unload large and/or low slung vehicles (RV's trucks w/trailers, heavy equipment) during busy periods. Most of these factors are out of the control of AMHS. Nevertheless, making schedule modifications in the event of continual and systematic delays are within the Department's control.

Our strategy is to review our performance by vessel and route for FY 01 to insure that our schedule is more realistic by accommodating for tidal delays and loading restrictions. While departing on time is important to our customers, safety concerns will not be compromised.

Measure:
The revenue per rider mile divided by the operational costs per rider mile.
Sec 151(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The ratio of revenue per rider mile to cost per rider mile for FY 01 was .48. This was obtained by dividing the revenue per rider mile of $.64 by the cost per rider mile that was $1.34. Rising fuel costs have increased operational costs significantly since FY99. In fact, fuel prices jumped 47% between FY99 and FY00. This problem was compounded when the price per gallon climbed an additional 30% between FY00 and FY01. This drove the cost per rider mile up 9.5% and pushed the ratio of revenue per rider mile down 6.5%.

Benchmark Comparisons:
The Washington State Ferry System reports a ratio of .60. The British Columbia Ferry Corporation reports a ratio of .81. Their cost per rider mile is about the same as the Alaska Marine Highway System. However, their revenue per mile is much higher since they adjust their tariffs to reflect increased expenditures.

Background and Strategies:
The Alaska Marine Highway System is on par when compared to the other ferry systems. The exception is the AMHS has lower revenue per rider mile when compared to the British Columbia system. Along these lines, the AMHS implemented a tariff increase effective May 1, 2001. However, the potential revenue from this increase was offset by three factors. First, the highest revenue producing vessel Columbia, could not be returned to service in FY01 as planned. Second, the Malaspina had to be rerouted from the North Lynn Canal (NLC) to cover for the Columbia. This caused a revenue reduction in NLC. Third, the Malaspina has a much smaller car deck capacity and fewer staterooms than the Columbia and consequently could not capture the full financial benefit from the most lucrative route.

This performance measure is influenced by several variables, i.e. seasonal demand, service routes, number of voyages per week between ports and the fluctuation in fuel prices.

Measure:
The total ridership, including passengers and vehicles, compared to the five-year ridership average.
Sec 151(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The AMHS established a goal to increase ridership by 3% per year. The five-year passenger average for FY96 to FY00 is 359,169 and the vehicle average is 102,097. In FY01, ridership was 339,290 and vehicles totaled 97,596. This represents a passenger decrease of 5.5% and a vehicle decrease of 4.4%. In each case, the decrease is attributable to reduced operating weeks and the Columbia being off line for the summer because of fire damage.

Benchmark Comparisons:
There is no good benchmark for this performance measure. The BC Ferries and Washington State Ferries carry substantially more passengers and vehicles because both are short haul and commuter type systems.

Background and Strategies:
The Alaska Marine Highway System brought a ninth vessel on line and introduced cross Gulf service in FY99. This measure is a ridership comparison with a nine vs. eight-vessel fleet. A marketing manager was hired in FY 01 to increase ridership. Many marketing efforts are being undertaken to promote Marine Highway ridership. Unfortunately, there are events beyond the Department's control that can and have resulted in ridership reductions (e.g., blockades, strikes, fires, etc.).

Measure:
The average onboard revenue per passenger, including cabin occupancy, food, beverage, and other sources of revenue.
Sec 151(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
The AMHS goal is to increase onboard revenue by 5% from the three-year per passenger average of $21.49, calculated from FY97 to FY99. In FY00, the sales per passenger were $20.89 and in FY01, sales were $21.19. This goal has been hampered by the Columbia fire, which occurred on June 6, 2000. The fire caused an immediate reduction in long haul capacity. Consequently, people took shorter trips on average for the remainder of FY00 and FY01. Shorter trips are tantamount to less onboard sales per passenger.

Benchmark Comparisons:
It is difficult to find a benchmark in other ferry systems as passengers spend much less time on the ships, hence spend less per person than on the AMHS.

Background and Strategies:
A marketing and tariff study was conducted by the McDowell Group in FY00 by surveying 3,500 customers. The purpose of the study was to find a way to improve the AMHS's revenue earning capability. This study identified the reasons people chose the AMHS to travel to and from Alaska and what they liked and disliked aboard the vessels. One area of recommended improvement was in food services, which had a 50% approval rating. The AMHS will focus on improving quality control, menu selection and food preparation during FY02. Our goal is to increase customer satisfaction in the food service area by 5% per year. Increasing customer satisfaction will be a meaningful adjunct toward increasing onboard revenues.

Measure:
The percentage of persons served who are satisfied customers.
Sec 151(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:
An independent analysis of onboard comment cards was performed by a marketing class under the supervision of the marketing professor at the University of Alaska, Fairbanks. The percentage of customers who rated overall customer service very good to excellent increased from 75% to 83%. Our goal is to continue to increase the percentage of very satisfied customers annually, since this category represents those AMHS customers who feel service is very good to excellent.

Benchmark Comparisons:

Unfortunately, there is no good benchmark for this performance measure. The AMHS passenger ships are long haul and unique in North America. The BC Ferries and Washington State Ferries are short haul and commuter type systems.

Background and Strategies:
The AMHS experience is viewed as unique to Alaska travelers. The recent McDowell study is the first comprehensive look at the AMHS customer base in the 37-year history of the Marine highway System. Moreover, the study will serve as a baseline from which future measures can be made. A study of this nature could be repeated every few years. Additionally, the AMHS will continue working with the University of Alaska who is compiling annual survey data to evaluate customer service and customer satisfaction. Meanwhile, the AMHS has clearly shortened call waiting times, provided training for the reservation staff, completed stateroom renovations and is providing onboard cook skills training in FY02. This strategy is directly tied to our goal to increase the level of very satisfied customers in FY02 and FY03.